

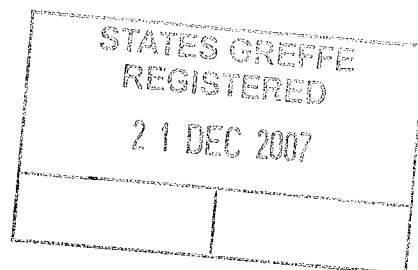
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# JATCO

THE JERSEY ASSOCIATION OF TRUST COMPANIES

Our Ref: JC/lsb/10025

20<sup>th</sup> December 2007



Deputy G Southern  
FAO States Assembly  
The Greffier of the States  
Morier House  
St Helier  
JE1 1DD

Dear Deputy Southern

I am writing in response to your request for informed comments on the current grant to Jersey Finance Ltd (JFL) from finance sector representatives. The following represents the views of the members of the Jersey Association of Trust Companies.

We understand that the finance industry generates revenue of £300m, if direct and indirect States revenue is included. You will no doubt be able to substantiate this through the Economic Development statistical reports. It seems to us that a grant of £1m (one third of one per cent) to support the industry is so small that it is a waste of time spending Government resources on considering whether it is good use of public money. However, the question has been asked and our views are as follows:

- The Government of Jersey should never be complacent about the financial services industry. It has historically been very successful, but the world is changing and there are continual pressures being brought to bear on offshore finance centres globally. Jersey is proud of its place in the premier league of offshore finance centres, but it can only sustain that position if it continues to represent itself positively on the international stage. The Government itself employs only one senior executive to represent the industry, as Director of International Finance. All other marketing of Jersey's financial services is done either by individuals working for individual firms with their own objectives, or JFL. It is a massive job, particularly when there is such strong competition from jurisdictions such as Switzerland, Dubai and Singapore in particular. In our opinion JFL do an excellent job, and with increased resources they could achieve even more.
- JFL provides significant assistance in the assimilation and assessment of the very complex technical issues facing the industry, which arise on an almost daily basis.


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Industry would be completely crippled if every firm had to read all the consultation documents that are produced by the Government. JFL acts as a conduit and gives succinct, precise and meaningful interpretations of technical issues. It ensures that the right parts of the industry receive the right information, and prioritises it.

- JFL produce generic brochures of a very high standard, which are available to industry in order to promote the Island generally. These are used extensively and the feedback from those receiving them is good. JFL's website is a useful source of information and marketing material. Industry has been saying for some time that it needs to be revamped. Lack of resources means that this job has had to be held back, although I understand it is now being addressed.
- JFL forms part of a very strong link which currently exists between Government, regulator (JFSC) and industry. It is our belief that this tripartite relationship is one of Jersey's great strengths, ensuring that there is "joined up thinking" in terms of implementation of the States Strategic Plan.
- JFL has a board of directors, made up of experienced and knowledgeable industry leaders. It communicates regularly with trade association heads, and asks for guidance and feedback. It also meets a group of industry leaders through the Finance Industry Advisory Committee, and is guided by their feedback. This is evidence of good corporate provenance and ensures a broad based approach to decision making.

We are strongly of the opinion that Government support of JFL is crucial to the ongoing success of the financial services industry, and that any threat to this could have a far-reaching negative impact. There are real risks facing the industry, which we would be happy to elucidate should you require further information.

Yours sincerely



**Mrs J Coward**  
**President**